

**NINTH AMENDMENT TO  
COMMITMENT TO PURCHASE FINANCIAL INSTRUMENT  
and  
HFA PARTICIPATION AGREEMENT**

This Ninth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Ninth Amendment”) is entered into as of the date set forth on Schedule A attached hereto as the Ninth Amendment Date (the “Amendment Date”), by and among the United States Department of the Treasury (“Treasury”), the undersigned party designated as HFA whose description is set forth in Schedule A attached hereto (for convenience, a “state housing finance agency” or “HFA”) and the undersigned institution designated by HFA to participate in the program described below (“Eligible Entity”).

**Recitals**

WHEREAS, Treasury, HFA and Eligible Entity entered into that certain Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Original HPA”) dated as of the Closing Date, as previously amended by that certain First Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “First Amendment”), as further amended by that certain Second Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Second Amendment”), as further amended by that certain Third Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Third Amendment”), as further amended by that certain Fourth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Fourth Amendment”), as further amended by that certain Fifth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Fifth Amendment”), as further amended by that certain Sixth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Sixth Amendment”), as further amended by that certain Seventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Seventh Amendment”) and as further amended by that certain Eighth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Eighth Amendment”; and together with the Original HPA as amended thereby and by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment, Fifth Amendment, Sixth Amendment, and Seventh Amendment, the “Current HPA”), dated as of their respective dates as set forth on Schedule A attached hereto, in connection with Treasury’s federal housing program entitled the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (the “HHF Program”), which was established pursuant to the Emergency Economic Stabilization Act of 2008 (P.L. 110-343), as amended, as the same may be amended from time to time (“EESA”);

WHEREAS, HFA and Eligible Entity submitted a request to Treasury to make certain revisions to their Service Schedules and Permitted Expenses, as applicable, and Treasury has agreed to the same;

WHEREAS, HFA, Eligible Entity and Treasury wish to enter into this Ninth Amendment to document all approved modifications to the Service Schedules and Permitted Expenses, as applicable;

Accordingly, in consideration of the representations, warranties, and mutual agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Treasury, HFA and Eligible Entity agree as follows.

### **Agreement**

#### **1. Amendments**

A. Definitions. All references in the Current HPA to the “Agreement” shall mean the Current HPA, as further amended by this Ninth Amendment; and all references in the Current HPA to Schedules A, B or C shall mean the Schedules A, B or C attached to this Ninth Amendment. All references herein to the “HPA” shall mean the Current HPA, as further amended by this Ninth Amendment.

B. Schedule A. Schedule A attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule A attached to this Ninth Amendment.

C. Schedule B. Schedule B attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule B attached to this Ninth Amendment.

D. Schedule C. Schedule C attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule C attached to this Ninth Amendment.

#### **2. Representations, Warranties and Covenants**

A. HFA and Eligible Entity. HFA and Eligible Entity, each for itself, make the following representations, warranties and covenants to Treasury and the truth and accuracy of such representations and warranties and compliance with and performance of such covenants are continuing obligations of HFA and Eligible Entity, each as to itself. In the event that any of the representations or warranties made herein cease to be true and correct or HFA or Eligible Entity breaches any of its covenants made herein, HFA or Eligible Entity, as the case may be, agrees to notify Treasury immediately and the same shall constitute an Event of Default under the HPA.

(1) HFA and Eligible Entity each hereby certifies, represents and warrants as of the date hereof that each of the representations and warranties of HFA or Eligible Entity, as applicable, contained in the HPA are true, correct, accurate and complete in all material respects as of the date hereof. All covenants of HFA or Eligible Entity, as applicable, contained in the HPA shall remain in full force and effect and neither HFA, nor Eligible Entity is in breach of any such covenant.

(2) Eligible Entity has the full corporate power and authority to enter into, execute, and deliver this Ninth Amendment and any other closing documentation delivered to

Treasury in connection with this Ninth Amendment, and to perform its obligations hereunder and thereunder.

(3) HFA has the full legal power and authority to enter into, execute, and deliver this Ninth Amendment and any other closing documentation delivered to Treasury in connection with this Ninth Amendment, and to perform its obligations hereunder and thereunder.

**3. Miscellaneous**

A. The recitals set forth at the beginning of this Ninth Amendment are true and accurate and are incorporated herein by this reference.

B. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the HPA.

C. Any provision of the HPA that is determined to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of the HPA, and no such prohibition or unenforceability in any jurisdiction shall invalidate such provision in any other jurisdiction.

D. This Ninth Amendment may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile or electronic copies of this Ninth Amendment shall be treated as originals for all purposes.

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**In Witness Whereof**, HFA, Eligible Entity and Treasury by their duly authorized officials hereby execute and deliver this Ninth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Amendment Date.

**HFA:**

ALABAMA HOUSING FINANCE  
AUTHORITY

**TREASURY:**

UNITED STATES DEPARTMENT OF THE  
TREASURY

By: /s/ Robert Strickland  
Name: Robert Strickland  
Title: Executive Director

By: \_\_\_\_\_  
Name: Timothy J. Bowler  
Title: Deputy Assistant Secretary for  
Financial Stability

**ELIGIBLE ENTITY:**

ALABAMA HOUSING FINANCE  
AUTHORITY

By: /s/ Robert Strickland  
Name: Robert Strickland  
Title: Executive Director

## **EXHIBITS AND SCHEDULES**

Schedule A	Basic Information
Schedule B	Service Schedules
Schedule C	Permitted Expenses

**SCHEDULE A**  
**BASIC INFORMATION**

**Eligible Entity Information:**

Name of the Eligible Entity:	Alabama Housing Finance Authority <sup>1</sup>
Corporate or other organizational form:	a public corporation and instrumentality of the State of Alabama, established and existing under the Code of Alabama 1975 §24-1A-1 pursuant to Act No. 80-585 of the Alabama Legislature
Jurisdiction of organization:	Alabama
Notice Information:	

**HFA Information:**

Name of HFA:	Alabama Housing Finance Authority
Organizational form:	a public corporation and instrumentality of the State of Alabama, established and existing under the Code of Alabama 1975 § 24-1A-1 pursuant to Act No. 80-585 of the Alabama Legislature
Date of Application:	August 31, 2010
Date of Action Plan:	September 1, 2010
Notice Information:	Same as Notice Information for Eligible Entity.

<b><u>Program Participation Cap:</u></b>	\$ 162,521,345.00
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Portion of Program Participation Cap <b><u>Representing Original HHF Funds:</u></b>	N/A
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Portion of Program Participation Cap <b><u>Representing Unemployment HHF Funds:</u></b>	\$ 60,672,471.00
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<b><u>Permitted Expenses:</u></b>	\$ 27,024,240.00
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1 References in the Agreement to the term "HFA" shall mean the Alabama Housing Finance Agency ("AHFA") in its capacity as an HFA as such term is used in the Agreement; references in the Agreement to the term "Eligible Entity" shall mean AHFA, in its capacity as Eligible Entity as such term is used in the Agreement.

<u>Closing Date:</u>	September 23, 2010
<u>First Amendment Date:</u>	September 29, 2010
<u>Second Amendment Date:</u>	December 16, 2010
<u>Third Amendment Date:</u>	January 26, 2011
<u>Fourth Amendment Date:</u>	March 31, 2011
<u>Fifth Amendment Date:</u>	May 25, 2011
<u>Sixth Amendment Date:</u>	June 28, 2012
<u>Seventh Amendment Date:</u>	March 8, 2013
<u>Eighth Amendment Date:</u>	September 3, 2014
<u>Ninth Amendment Date:</u>	January 30, 2015
<u>Eligible Entity Depository Account Information:</u>	See account information set forth in the Depository Account Control Agreement between Treasury and Eligible Entity regarding the HHF Program.

## **SCHEDULE B**

### **SERVICE SCHEDULES**

The Service Schedules attached as Schedule B to the Current HPA are hereby deleted in their entirety and replaced with the attached Service Schedules (numbered sequentially as Service Schedule B-1, Service Schedule B-2, et. seq.), which collectively comprise Schedule B to the HPA.



## **SERVICE SCHEDULE B-1**

### **ALABAMA HOUSING FINANCE AUTHORITY**



### **SUMMARY GUIDELINES**

#### **HARDEST HIT FOR ALABAMA'S UNEMPLOYED HOMEOWNERS**

<b>1. Program Overview</b>	<p>AHFA will administer HHF to subsidize 100 percent of an eligible unemployed or underemployed homeowner's current monthly mortgage payments and all other mortgage-related expenses (including subordinate liens, if applicable) during their time of eligibility. The assistance will not exceed a total of \$25,000 per household.</p> <p>Alabama's HHF will provide a payment not to exceed \$12,500, to a participating homeowner's servicer(s) to bring the homeowner current on his or her delinquent mortgage(s). If this maximum amount that AHFA will provide does not exceed the total amount needed to bring the homeowner current on all existing mortgages, the homeowner must cover any shortfall. The HHF payment can cover principal, interest, fees, escrow/impound expenses, past due homeowners association (HOA) fees, delinquent taxes and/or escrow shortage for taxes and insurance.</p> <p>Interested homeowners will apply directly to AHFA via a secure website monitored and maintained by AHFA staff. Applications will be evaluated and approved by HHA staff members. Approved homeowners will be expected to submit certain information documenting their employment status and inability to pay their mortgage and supporting their mortgage claims.</p> <p>Once in the program, all unemployed homeowners will be expected to re-certify their continued eligibility for unemployment compensation or for Trade Readjustment Allowance assistance (TRA) and residence in the home on a monthly basis. Homeowners who receive unemployment compensation or TRA from agencies outside of the State of Alabama must provide a copy of a current awards letter and approved documentation to reflect continued eligibility. HHF payments for unemployed homeowners will be disbursed to servicers by AHFA on a monthly basis contingent upon homeowner re-certification. Monthly assistance, when combined with any assistance needed to bring the homeowner current not to exceed an aggregate total of \$25,000 per household, will continue (i) for up to three months following the termination of the homeowner's eligibility or (ii) until the earlier to</p>
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	<p>occur of (A) the property ceasing to be the homeowner's primary residence or (B) September 30, 2016.</p> <p>Once in the program, all underemployed homeowners will be expected to re-certify their continued underemployment status and residence in the home on a monthly basis. HHA payments for underemployed homeowners will be disbursed to servicers by AHFA on a monthly basis contingent upon the homeowner re-certification. Monthly assistance, when combined with any assistance needed to bring the homeowner current not to exceed an aggregate total of \$25,000 per household, will be available (i) for up to three months or (ii) until the earlier to occur of (A) the property ceasing to be the borrower's primary residence or (B) September 30, 2016.</p>
<b>2. Program Goals</b>	Provide mortgage payment assistance to unemployed or underemployed Alabama homeowners with a chance of sustaining homeownership.
<b>3. Target Population / Areas</b>	This program will assist low- to moderate-income families in Alabama. AHFA does not anticipate targeting this assistance on a geographic basis.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$62,521,345
<b>5. Borrower Eligibility Criteria</b>	<p>Unemployed Alabama homeowners who have been declared eligible to receive state or federal unemployment compensation benefits or TRA may apply for assistance.</p> <p>Underemployed Alabama homeowners who in the most recent 24 months have encountered a financial hardship resulting in a 25% or greater reduction in total household income and whose monthly PITI, including all subordinate liens, exceeds 31% of the total household income may apply for assistance.</p> <p>Homeowners must have a total annual household income of less than 140 percent of the state median income. AHFA may change this limit annually when new income data becomes available from the U.S. Department of Housing and Urban Development.</p> <p>Homeowners, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.</p> <p>Homeowners will be required to provide a financial Hardship Affidavit attesting to their inability to pay their mortgage. HHF will be available to qualified homeowners on a first-come, first-served basis.</p>
<b>6. Property / Loan</b>	Homeowners must currently occupy the property as their primary

<b>Eligibility Criteria</b>	residence and the residence must be located within the state of Alabama. Eligible structures include single-family homes, attached or detached, and manufactured housing attached to real property. Existing mortgage loans on the property must have an unpaid principal balance totaling no more than \$258,690. Mortgages must be originated by a financial institution in the business of regularly originating mortgage loans and the mortgage loans must be executed and recorded prior to the homeowner's financial hardship.
<b>7. Program Exclusions</b>	Mortgage loans on second homes or investment properties will not be eligible for HHF assistance.
<b>8. Structure of Assistance</b>	<p>Homeowners receiving funds will execute a note and a subordinate mortgage lien in favor of AHFA that will be recorded in public records against the property. Loans will be zero percent and non-amortizing.</p> <p>Loans originated between the pilot program commencement and December 31, 2012, will be forgiven at the termination of a five-year term. Loans originated between January 1, 2013, and December 31, 2013, will be forgiven at the termination of a four-year term. Loans originated between January 1, 2014, and December 31, 2014, will be forgiven at the termination of a three-year term. Loans originated between January 1, 2015 and December 31 2015 will be forgiven at the termination of a two year term. Loans originated between January 1, 2016, and December 31, 2016, will be forgiven at the termination of a one-year term. On or before December 31, 2017, or such later date allowed by Treasury, any remaining or recaptured funds will be returned to Treasury.</p> <p>Loans will be repayable only if the homeowner sells the property before the forgiveness period expires and there is sufficient equity to pay all or part of the unforgiven balance of the loan. Repaid HHF funds may be re-invested back into new homeowner loans prior to December 31, 2017.</p> <p>Ongoing monitoring, repayments and satisfactions will be conducted through AHFA.</p>
<b>9. Per Household Assistance</b>	<p>Assistance not to exceed a total of \$25,000 per household.</p> <p>AHFA will cover 100 percent of the household's monthly mortgage payments and all other mortgage-related expenses (including principal, interest, fees, escrow/impound expenses, past due HOA fees, delinquent taxes and/or escrow shortage for taxes and insurance) unless final payment amount exceeds the maximum assistance available.</p> <p>If the maximum amount that AHFA will provide (a total of \$12,500 per household) does not exceed the total amount needed to bring the homeowner current on all existing mortgages, the homeowner must</p>

	cover any shortfall.
<b>10. Duration of Assistance</b>	<p>HHF payments for unemployed homeowners (excluding the amount needed to bring the homeowner current) will be disbursed to servicers by AHFA on a monthly basis contingent upon homeowner re-certification. Monthly assistance, when combined with any assistance needed to bring the homeowner current not to exceed an aggregate total of \$25,000 per household, will continue (i) for up to three months following the termination of the homeowner's eligibility or (ii) until the earlier to occur of (A) the property ceasing to be the borrower's primary residence or (B) September 30, 2016.</p> <p>HHA payments for underemployed homeowners (excluding the amount needed to bring the homeowner current) will be disbursed to servicers by AHFA on a monthly basis contingent upon the homeowner re-certification. Monthly assistance, when combined with any assistance needed to bring the homeowner current not to exceed an aggregate total of \$25,000 per household, will be available (i) for up to three months or (ii) until the earlier to occur of (A) the property ceasing to be the borrower's primary residence or (B) September 30, 2016.</p>
<b>11. Estimated Number of Participating Households</b>	5,000
<b>12. Program Inception / Duration</b>	The pilot program began on December 15, 2010, and funds became available statewide on February 2, 2011. AHFA expects the initial funding allocation to be expended within three years, though funds may be recycled until December 31, 2017.
<b>13. Program Interactions with Other HFA Programs</b>	AHFA has access to the largest concentration of low- to moderate-income homeowners in Alabama with an in-house servicing portfolio of 28,000 loans; we anticipate that a number of existing AHFA customers will use HHF.
<b>14. Program Interactions with HAMP</b>	This assistance can interact with any and all loan modification programs, including HAMP, provided that the homeowner meets the qualifications established by AHFA and Treasury for HHF. HHF funds can be utilized before or after assistance from HAMP UP.
<b>15. Program Leverage with Other Financial Resources</b>	None.
<b>16. Qualify as an Unemployment Program</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## SERVICE SCHEDULE B-2

### ALABAMA HOUSING FINANCE AUTHORITY



### SUMMARY GUIDELINES

#### SHORT SALE ASSISTANCE PROGRAM

<b>1. Program Overview</b>	<p>AHFA will administer HHF funds to assist financially distressed homeowners with the sale of their primary residence. The short sale assistance program will assist homeowners who can no longer sustain their monthly mortgage obligation due to a hardship such as unemployment, underemployment, divorce, or disability. The assistance will not exceed a total of \$30,000 per household.</p> <p>HHF Participating Servicers may refer interested sellers for participation in the program. The servicer must provide evidence the seller has been approved for a short sale, contingent upon receipt of HHF funds. The seller will apply via a secure website monitored and maintained by AHFA staff. Applications will be evaluated and approved by HHA staff members. Sellers will be expected to submit certain information documenting their income, short sale approval (contingent upon receipt of HHF funds), executed sales contract, the value of the property, and payoff statement(s) from a Participating Servicer(s).</p> <p>Participating Servicers must agree to accept a minimum loss of \$1,000 on the first mortgage loan of each short sale assisted.</p> <p>AHFA will provide a single disbursement which can cover closing costs and any remaining principal amount—up to 10% of the sales price, not to exceed \$30,000. The funds will be disbursed at closing and made payable to the servicer and the closing agent (with respect to closing costs).</p>
<b>2. Program Goals</b>	Provide assistance to Alabama homeowners who are unable to sustain their monthly mortgage obligation.
<b>3. Target Population / Areas</b>	This program will assist low- to moderate-income families in Alabama. AHFA does not anticipate targeting this assistance on a geographic basis.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$11,487,880

<b>5. Borrower Eligibility Criteria</b>	<p>Applicants must have a total annual household income of less than 140 percent of the state median income. AHFA may change this income limit annually when new income data becomes available from the U.S. Department of Housing and Urban Development.</p> <p>The homeowner, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.</p> <p>Homeowners will be required to provide a financial Hardship Affidavit attesting to their inability to pay their mortgage. HHF will be available to qualified homeowners on a first-come, first-served basis.</p> <p>Homeowner's eligibility will also depend on the servicer's evaluation of homeowner for a short sale program.</p>
<b>6. Property / Loan Eligibility Criteria</b>	<p>The homeowner must occupy the property as their primary residence at the time of sale and the residence must be located within the state of Alabama. Eligible structures include single-family homes, attached or detached, and manufactured housing attached to real property. Existing mortgage loans on the property must have an unpaid principal balance totaling no more than \$258,690.</p>
<b>7. Program Exclusions</b>	<p>Mortgage loans on second homes or investment properties will not be eligible for HHF assistance.</p>
<b>8. Structure of Assistance</b>	<p>A single payment made payable to the servicer and the closing agent (with respect to closing costs) will be disbursed at closing. Loan forgiveness will be immediate. No additional monitoring will be required.</p>
<b>9. Per Household Assistance</b>	<p>HHF assistance per household not to exceed \$30,000.</p>
<b>10. Duration of Assistance</b>	<p>A single HHF payment made payable to the seller and closing agent will be disbursed at closing.</p>
<b>11. Estimated Number of Participating Households</b>	<p>400</p>
<b>12. Program Inception / Duration</b>	<p>The short sale program will be available to homeowners after the Seventh Amendment Date and will last as long as the allocated amount of funds is available. After successful completion of a 60-day pilot program, AHFA will make the funds available for a statewide release.</p>
<b>13. Program Interactions with Other HFA Programs</b>	<p>As AHFA has access to the largest concentration of low- to moderate-income homeowners in Alabama, with an in-house servicing portfolio of 28,000 loans, we anticipate that a number of existing AHFA customers will use HHF.</p>

<b>14. Program Interactions with HAMP</b>	N/A
<b>15. Program Leverage with Other Financial Resources</b>	None.
<b>16. Qualify as an Unemployment Program</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## SERVICE SCHEDULE B-3

### ALABAMA HOUSING FINANCE AUTHORITY



### SUMMARY GUIDELINES

#### LOAN MODIFICATION ASSISTANCE PROGRAM

<b>1. Program Overview</b>	<p>To aid in the prevention of foreclosures in Alabama, the Loan Modification Assistance Program will provide funds, not to exceed \$30,000 per household, to assist financially distressed and/or underemployed borrowers in achieving modification of their home loans.</p> <p>Under the program, a one-time contribution of funds will be made to the mortgage servicer to recast the loan or be used to fill a financial gap that limits a homeowner's eligibility for a loan modification.</p> <p>Funds may be used to reduce the outstanding principal balance, pay delinquent escrow or arrearages.</p> <p>Recast or modification must result in a mortgage payment (including principal, interest, taxes, and insurance) of no more than 31 percent of a homeowner's income. Homeowner must have demonstrated ability to maintain the mortgage under the new terms.</p> <p>The program is designed to work with loan recast, HAMP and non-HAMP modifications.</p> <p>HHF Participating Servicers may refer interested homeowners for participation in the program. The homeowner will apply via a secure website monitored and maintained by HHA staff. Applications will be evaluated and approved by AHFA staff members. Approved homeowners will be expected to submit certain information documenting their inability to pay their mortgage and supporting their mortgage claims.</p>
<b>2. Program Goals</b>	<p>Provide assistance to underemployed Alabama homeowners who are unable to sustain their monthly mortgage obligation under the current loan terms. Providing funds will allow for a successful loan recast or modification for borrowers who would, otherwise, be ineligible for a recast or modification and will, ultimately, prevent foreclosures.</p>



<b>3. Target Population / Areas</b>	This program will assist low- to moderate-income families in Alabama. AHFA does not anticipate targeting this assistance on a geographic basis.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$36,487,880
<b>5. Borrower Eligibility Criteria</b>	<p>Applicants must have a total annual household income of less than 140 percent of the state median income. AHFA may change this income limit annually when new income data becomes available from the U.S. Department of Housing and Urban Development. Applicants total housing ratio after assistance may not exceed 31% of the homeowners income.</p> <p>The homeowner, in connection with a mortgage or real estate transaction, cannot have been convicted, within the last 10 years, of any one of the following: (A) felony larceny, theft, fraud or forgery, (B) money laundering or (C) tax evasion.</p> <p>Homeowners will be required to provide a financial Hardship Affidavit attesting to their inability to pay their mortgage. HHF will be available to qualified homeowners on a first-come, first-served basis.</p> <p>Homeowner eligibility will also depend on the servicer's evaluation of the homeowner for a loss mitigation option.</p>
<b>6. Property / Loan Eligibility Criteria</b>	The homeowner must currently occupy the property as their primary residence, and the residence must be located within the state of Alabama. Eligible structures include single-family homes, attached or detached, and manufactured housing attached to real property. The homeowner's current first-lien mortgage must have an unpaid principal balance totaling no more than \$258,690. Assistance may not be used to reduce the property's combined loan-to-value below 80%.
<b>7. Program Exclusions</b>	Mortgage loans on second homes or investment properties will not be eligible for HHF assistance.
<b>8. Structure of Assistance</b>	<p>A single payment made payable to the servicer will be disbursed.</p> <p>Homeowners receiving funds will execute a note and a subordinate mortgage lien in favor of AHFA that will be recorded in public records against the property. Loans will be zero percent and non-amortizing.</p> <p>Loans originated between the pilot program commencement and December 31, 2013, will be forgiven at the termination of a four-year term. Loans originated between January 1, 2014, and December 31, 2014, will be forgiven at the termination of a three-year term. Loans originated between</p>

	<p>January 1, 2015 and December 31, 2015 will be forgiven at the termination of a two-year term. Loans originated between January 1, 2016 and September 30, 2016 will be forgiven at the termination of a one-year term the day of the final disbursement. On or before December 31, 2017, or such later date allowed by Treasury, any remaining or recaptured funds will be returned to Treasury.</p> <p>Loans will be repayable only if the homeowner sells the property before the forgiveness period expires and there is sufficient equity to pay all or part of the unforgiven balance of the loan. Repaid HHF funds may be re-invested back into new homeowner loans prior to December 31, 2017.</p> <p>Ongoing monitoring, repayments and satisfactions will be conducted through AHFA.</p>
<b>9. Per Household Assistance</b>	HHF assistance per household not to exceed \$30,000.
<b>10. Duration of Assistance</b>	A single HHF payment made payable to the servicer will be disbursed.
<b>11. Estimated Number of Participating Households</b>	1,200
<b>12. Program Inception / Duration</b>	The program will be available to homeowners after Treasury approval and will last as long as the allocated amount of funds is available. After successful completion of a 60-day pilot program, AHFA will make the funds available for a statewide release.
<b>13. Program Interactions with Other HFA Programs</b>	As AHFA has access to the largest concentration of low- to moderate-income homeowners in Alabama with an in-house servicing portfolio of 21,000 loans, we anticipate that a number of existing AHFA customers will use HHF.
<b>14. Program Interactions with HAMP</b>	This assistance can interact with any and all loan modification programs, including HAMP, provided that the homeowner meets the qualifications established by AHFA and Treasury for HHF. HHF funds can be utilized before or after assistance from HAMP UP.
<b>15. Program Leverage with Other Financial Resources</b>	None.
<b>16. Qualify as an Unemployment Program</b>	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

## **SERVICE SCHEDULE B-4**

### **ALABAMA HOUSING FINANCE AUTHORITY**



### **SUMMARY GUIDELINES**

#### **BLIGHT ELIMINATION PROGRAM**

<b>1. Program Overview</b>	AHFA will administer HHF to assist in the removal of blighted properties within the State of Alabama. AHFA will work in partnership with members of the Alabama Association of Habitat for Humanity Affiliates (Affiliates) to ensure blighted properties located in healthy neighborhoods are removed and the site greened. The Alabama Association of Habitat Affiliates is the state support organization for the Habitat for Humanity affiliates across the state of Alabama (AAHA). AAHA serves as a clearinghouse for information between Affiliates, developers of resources (personnel, funds and in-kind donations) for affiliates and provide technical support to help Affiliates grow their capacity.
<b>2. Program Goals</b>	<p>The Blight Elimination Program will reduce foreclosures, promote neighborhood stabilization and maintain property values through the removal of unsafe condemned single family structures and subsequent greening in areas across the State of Alabama.</p> <p>AHFA will work with Affiliates to identify meaningful indicators that will enable them to track and quantify the program's impact in the designated communities.</p>
<b>3. Target Population / Areas</b>	This program will focus on neighborhoods with blighted properties. The program will target sustainable neighborhoods with the state.
<b>4. Program Allocation (Excluding Administrative Expenses)</b>	\$25,000,000

<b>5. Property Eligibility Criteria</b>	<p>Property will be considered eligible if it meets the following criteria:</p> <ul style="list-style-type: none"> <li>*The property must be located in the State of Alabama</li> <li>*The property must be owned by an Affiliate</li> <li>* The property must be vacant at the time of acquisition</li> <li>*The property is a nuisance due to age and/or condition as determined by local ordinance</li> <li>*The cost to rehab/repair the structure exceeds reasonable cost as determined by the Affiliate</li> <li>*AHFA will determine property eligibility per program guidelines</li> </ul>
<b>6. Ownership/Loan Eligibility Criteria</b>	<p>Properties must be owned by the Affiliate. Properties must have a loan that can be modified or extinguished.</p>
<b>7. Program Exclusions</b>	<p>Commercial properties, multifamily properties, and properties listed on a state or national historic register will not be eligible for inclusion in this program.</p>
<b>8. Structure of Assistance</b>	<p>Eligible sites must be owned by an Affiliate. Each Affiliate will be responsible for securing clear title for blighted properties purchased from or donated by local municipalities, government agencies or individuals. The Affiliate will then partner with an approved financial institution to finance the cost of removal of the blighted property. Prior to demolition, the Affiliate will submit a site evaluation report to AHFA. The report must outline the location of the neighborhood, neighborhood conditions, estimated cost of property removal and greening, and a 3-year estimate of maintenance cost. HHF assistance will not exceed \$25,000 per property. Any cost exceeding \$25,000 must be absorbed by the Affiliate.</p> <p>The financial institution will reserve funds via the Hardest Hit Alabama online reservation system. Prior to disbursement, required documentation must be submitted by the Affiliate to AHFA for review. Required documentation will include a Request for Funding Form, photos, and a Certification of Completion. Additional documentation may be required as determined by AHFA. A single payment made payable to the financial institution will be disbursed after verification of the debris removal and greening (as applicable) has been provided. Eligible costs include removal of debris, contractor's fees, permit fees, final inspections, environmental assessments, title searches, greening and maintenance (not to exceed \$3,000.00) fees for a three-year period, and any other fees or charges required to complete the property removal. HHF will be used to extinguish the outstanding loan payable to the</p>

	<p>approved financial institution.</p> <p>The Affiliate will execute a 0% non-amortizing loan in favor of AHFA. Loans will be forgiven at a rate of 33.3% per year on the anniversary of the final disbursement as long as covenants are met. The outstanding loan balance will become due and payable if the property is sold, its title transferred, or it is used for an unauthorized purpose prior to the loan's expiration. However, special considerations may be made by AHFA to release or subordinate its lien prior to the expiration of the loan term based upon the merit of the request and the proposed positive impact to the community as set forth in the program guidelines. The method for calculating the portion of the outstanding balance to be forgiven or released will be determined based upon the time and method of transfer. The outstanding balance may include any and all net sale proceeds and/or the full principal balance of the loan.</p> <p>On or before December 31, 2017 any remaining or recaptured funds will be returned to Treasury.</p>
<b>9. Per Property Assistance</b>	Maximum assistance may not exceed \$25,000 per property
<b>10. Duration of Assistance</b>	Funds will be disbursed to the Affiliates on a first-come-first-served basis. All assistance will be provided in one payment.
<b>11. Estimated Number of Properties Demolished</b>	1000 properties
<b>12. Program Inception / Duration</b>	The program will begin on September 1, 2014 and will last as long as the allocation of funds is available or until December 31, 2017.
<b>13. Program Interactions with Other HFA Programs</b>	AHFA's Habitat for Humanity Loan Purchase Program - a partnership in which the Habitat Affiliates solicits the assistance of a local lender to serve as a conduit for the sale of the loan. The affiliate sells the mortgage to the local bank, which then sells the loan to AHFA.
<b>14. Program Interactions with HAMP</b>	None
<b>15. Program Leverage with Other Financial Resources</b>	None.
<b>16. Qualify as an Unemployment Program</b>	Yes <input checked="" type="checkbox"/> No

**SCHEDULE C**

**PERMITTED EXPENSES**

	Alabama
<b><i>One-time / Start-Up Expenses:</i></b>	
Initial Personnel	\$1,146,126.00
Building, Equipment, Technology	\$668,463.00
Professional Services	\$199,914.00
Supplies / Miscellaneous	\$131,193.00
Marketing /Communications	\$346,726.00
Travel	\$12,494.00
Website development /Translation	\$50,000.00
Contingency	\$131,193.00
<b>Subtotal</b>	<b>\$2,686,109.00</b>
<b><i>Operating / Administrative Expenses:</i></b>	
Salaries	\$6,766,750.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$1,800,000.00
Travel	100,000.00
Buildings, Leases & Equipment	\$600,000.
Information Technology & Communications	\$2,158,491.00
Office Supplies/Postage and Delivery/Subscriptions	\$149,935.00
Risk Management/ Insurance	\$120,000.00
Training	\$100,000.00
Marketing/PR	950,000.
Miscellaneous	\$134,145.00
<b>Subtotal</b>	<b>\$12,879,321.00</b>
<b><i>Transaction Related Expenses:</i></b>	
Recording Fees	\$3,000,000.
Wire Transfer Fees	\$133,109.00
<b><i>Counseling Expenses</i></b>	
File Intake	\$3,639,707.00
Decision Costs	\$0.00

	Alabama
Successful File	\$693,452.00
Key Business Partners On-Going	\$3,992,542.00
<b>Subtotal</b>	<b>\$11,458,810.00</b>
<b>Grand Total</b>	<b>\$27,024,240.00</b>
<b>% of Total Award</b>	<b>16.63%</b>
<b>Award Amount</b>	<b>\$162,521,345.00</b>